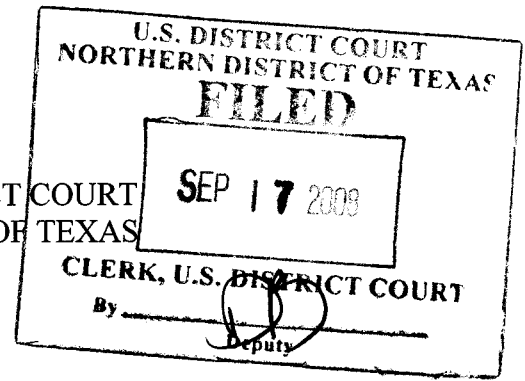


ORIGINAL

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION



IN RE:

LETITIA HUGHES,

DEBTOR.

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Civ. Action No. 3:07-CV-0595-G
(Bankr No. 06-32726-SGJ-7)

**SECOND SUPPLEMENTAL REPORT AND
RECOMMENDATION TO DISTRICT COURT**

The undersigned United States Bankruptcy Judge, Stacey G.C. Jernigan, submits this
Second Supplemental Report and Recommendation in order to:

(a) inform the District Court of the progress of the above-referenced serial
bankruptcy filer, Letitia Hughes, in complying with the District Court's September 24, 2007
Order (1) Concerning Previously Imposed Bankruptcy Court Sanctions, and (2) Barring Letitia
Hughes from Filing Bankruptcy Petitions for a Period of Two Years Without Further Order of
This Court; and

(b) recommend a monitoring plan for Letitia Hughes, going forward.

**A. Background: Events Leading up to the September 24, 2007 District Court Sanction
Order.**

As a reminder, this matter was first brought before the District Court on April 3, 2007,
when the undersigned submitted a *sua sponte* Report and Recommendation to the District Court,
recommending that the District Court withdraw the reference of certain contempt matters
involving Letitia Hughes (which contempt matters pertained to Ms. Hughes' repeated
bankruptcy filings, disregard of various orders of the bankruptcy court, and failure to appear at
certain bankruptcy court hearings). The undersigned recommended that the District Court
withdraw the reference of the matters regarding Letitia Hughes, but refer back to the bankruptcy
court the authority to conduct further hearings and make further recommendations to the District

Court based upon any evidence adduced at such hearings regarding: (A) Letitia Hughes' ability to pay certain monetary sanctions previously imposed by the undersigned; (B) Letitia Hughes' right to a court-appointed attorney; and (C) appropriate, effective remedies—including incarceration—that might compel compliance with the undersigned's orders.¹

On April 4, 2007, the District Court entered the Order Adopting Report and Recommendation of the Bankruptcy Court, Withdrawing the Reference of this Proceeding, and Directing the Bankruptcy Court to Hold Further Hearings and Submit a Supplemental Report and Recommendation to the District Court (the "Order Withdrawing the Reference").

Pursuant to the Order Withdrawing the Reference, the undersigned, on April 17, 2007, signed, and the District Court entered, an Order setting a bifurcated hearing in the bankruptcy court for June 4, 2007, to address Letitia Hughes' ability to pay certain monetary sanctions imposed and Letitia Hughes' right to a court-appointed attorney. This hearing was continued once (to July 10, 2007), at Letitia Hughes' request, and then Ms. Hughes failed to appear on July 10, 2007. Thus the bankruptcy court, on July 24, 2007, submitted a Supplemental Report and Recommendation to the District Court, recommending that the District Court issue an order to show cause why Letitia Hughes should not be held in further contempt of court, by virtue of Letitia Hughes' failure to appear before the bankruptcy court at the July 10, 2007 hearing, as commanded, and by virtue of Letitia Hughes' continued and repeated failure to abide by the orders of the bankruptcy court.

¹ The undersigned was concerned about her Constitutional authority, as a non-Article III court, to order incarceration (or take any action which might be construed as criminal contempt), and yet the undersigned believed incarceration/criminal contempt should be considered as an option for Letitia Hughes. Such concern regarding Constitutional authority was the impetus for the undersigned's *sua sponte* Report and Recommendation concerning withdrawal of the reference.

On July 26, 2007, the District Court entered a show cause order and set a hearing before the District Court for August 17, 2007. Letitia Hughes failed to appear. On that same day, the District Court entered an order directing the United States Marshal to take all necessary and proper actions to effectuate the detention of Letitia Hughes and transport her to the District Court to show cause for her failure to appear at the July 10, 2007 and the August 17, 2007 hearings.

Letitia Hughes was eventually brought by the United States Marshal before the District Court, Judge A. Joe Fish, sitting jointly with the undersigned Bankruptcy Judge Stacey G.C. Jernigan, on September 11, 2007. At the end of such hearing, Letitia Hughes was released from custody, the contempt hearing was continued to September 21, 2007, and Letitia Hughes was ordered to file certain financial documents concerning her ability to timely pay sanctions previously imposed by the bankruptcy court. On September 18, 2007, Letitia Hughes filed various financial documents with the court. The continued hearing was convened on September 21, 2007, and Letitia Hughes appeared. As a result of the September 21, 2007 hearing, the District Court entered, on September 24, 2007, the District Court Sanction Order.

B. Terms of the September 24, 2007 District Court Sanction Order.

The September 24, 2007 Sanction Order required that Letitia Hughes pay the aggregate sum of **\$11,617.00** in monetary sanctions, in 11 monthly installments of \$1,000.00 each, with a final payment of \$617.00 in the twelfth month, to the Clerk of the Bankruptcy Court, on the 15th day of each month starting on October 15, 2007. However, in the event that Letitia Hughes sold certain of her real property located at 1819 Bickers, Letitia Hughes was ordered to pay the balance due of the \$11,617.00 from the proceeds of the sale immediately upon her receipt and entitlement to such proceeds.

C. Status of Letitia Hughes' Compliance.

Letitia Hughes has not strictly complied with the September 24, 2007 Sanction Order. Letitia Hughes has failed to make payments under the order for October 2007, November 2007, December 2007, and January 2007. On February 19, 2008, Letitia Hughes made two partial payments aggregating \$617.00 to the Clerk of the Bankruptcy Court. That same day, Letitia Hughes submitted a letter to the bankruptcy court requesting additional time to catch up her required payments under the September 24, 2007 Sanction Order, and attaching a schedule of anticipated real estate sale closings, as well as proof of her attempts to seek full time employment and attempts to earn income. Then, on April 10, 2008, Letitia Hughes submitted an additional \$1,000 payment to the Clerk of the Bankruptcy Court, and submitted another letter making further requests for additional time to make payments and, once again, attaching a schedule of anticipated real estate closings and copies of various documents evidencing her continued job search. These aggregate payments of **\$1,617.00** on February 19 and April 10, 2008, are the total amount that the Clerk of the Bankruptcy Court has received from Letitia Hughes to date.

On September 15, 2008, Letitia Hughes filed a handwritten Petition to the Court for Extension Request [sic] (the "Extension Request"). Significantly, September 15, 2008 would have been the date on which the last payment under the September 24, 2007 Sanction Order would have been due. By the Extension Request, Letitia Hughes requests that she be given one additional month to complete payments under the September 24, 2007 Sanction Order. Letitia Hughes attached to the Extension Request a contract for sale of real property located at 1819 Bickers Street in Dallas, Texas. Pursuant to the terms of the contract for sale, the sale is to close on or before September 30, 2008. Letitia Hughes represents that she intends to use the proceeds

of the sale of the real property to pay the remaining balance due under the September 24, 2007 Sanction Order in full.

D. Report and Recommendation.

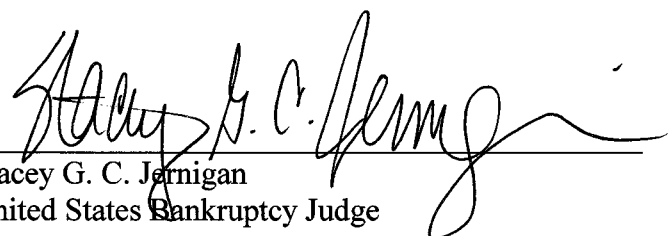
In light of Letitia Hughes' partial payments and presentation of proof of her efforts toward compliance with the September 24, 2007 Sanction Order, and toward obtaining gainful employment, and in light of Letitia Hughes' representation that she will use the proceeds of the sale of real property located at 1819 Bickers Street in Dallas, Texas to pay the sanction under the September 24, 2007 Sanction Order in full, the undersigned recommends that:

(a) Letitia Hughes be given one additional month in which to complete her payments under the September 24, 2007 Sanction Order, making the deadline for payment in full October 15, 2008.

(b) Letitia Hughes be required to appear before the bankruptcy court for a status conference on **October 27, 2008 at 10:30 a.m.** concerning her progress in making payments under the September 24, 2007 Sanction Order.

(c) If Letitia Hughes pays the sanction under the September 24, 2007 Sanction Order in full on or before the proposed extended deadline of October 15, 2008, the status conference on **October 27, 2008 at 10:30 a.m.** should be cancelled. In all other instances, failure of Letitia Hughes to appear at such status conference would be construed as an act in contempt of court.

Dated: September 17, 2008



Stacey G. C. Jernigan
United States Bankruptcy Judge